

This Section for DOGM Use:

Assigned DOGM File No.: S 10011066  
DOGM Lead: TM  
Permit Fee \$ 150.00 Ck # 0147

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291 Fax: (801) 359-3940

**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

\*\*\*\*\*

**I. GENERAL INFORMATION (Rule R647-3-104)**

1. Name of Mine: Munchkin 1, 2, 3
2. Name of Person or Entity Applying for Permit: Earth's Partners LLC  
Address: P.O. Box 1186  
City, State, Zip: Beaver, UT 84713  
Phone: (435) 438-5525 Fax: (435) 438-2555  
E-mail Address: ep7@xmission.com

Company ( ) Corporation ( ) Partnership ( ) Individual ( )  
Other ( ☒ ) - specify type LLC

A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Business License # 5304713-0160

Registered Agent (as identified on business license): \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

3. Name of Operator (if different from #2) \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

RECEIVED

OCT 15 2004

DIV. OF OIL, GAS & MINING

0002

**If Partnership or Individual:****Name of 1<sup>st</sup> owner / partner:** \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**Name of 2<sup>nd</sup> owner / Partner:** \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**If Corporation or Limited Liability Entity:****Name of Officers:** S. Heather Scholz Title: Registered Agent/owner/partnerDavid Penney Title: owner/partner\_\_\_\_\_  
Title: \_\_\_\_\_\_\_\_\_\_  
Title: \_\_\_\_\_**4. Permittee / Operator Representative (if different from #3):**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**5. Ownership of Land Surface:**Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

**6. Ownership of Minerals:**Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): UTV-81473

Utah State Lease Number(s): \_\_\_\_\_

Name of Lessee(s): \_\_\_\_\_

7. **Have the above surface and mineral owners been notified in writing?**

Yes ☒ No \_\_\_\_\_

If no, why not? \_\_\_\_\_

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice?** Yes ☒ No \_\_\_\_\_

II. **PROJECT LOCATION & MAP (Rule R647-3-105)**

1. **Project Location** (legal description):

County(ies): Beaver

\* See map for the 1/4 sections of Munchkin 123. (Attachment 1)  
 \_\_\_\_\_ 1/4, of 40 1/4, of 18 1/4: Section: 25 Township: 26S Range: 16W  
 \_\_\_\_\_ 1/4, of 18 1/4, of 18 1/4: Section: 25 Township: 26S Range: 16W  
 \_\_\_\_\_ 1/4, of \_\_\_\_\_ 1/4, of \_\_\_\_\_ 1/4: Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_

UTM East \_\_\_\_\_ (if known) UTM North \_\_\_\_\_ (If known)

Name of Quad Map for Location: Wah Wah Summit

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for. See Attachment #1 & #2

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **should** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

**III. OPERATION PLAN (Rule R647-3-106)**

1. **Type of mining:** Surface ☒ Underground ☐
2. **Mineral(s) to be mined:** gemstones & semi-precious materials
3. **Amount of material to be extracted, moved or proposed to be moved:** approximately 700 tons
4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**  
 Yes ☐ No ☒ If yes, please describe (add extra pages if needed)  
 \_\_\_\_\_  
 \_\_\_\_\_
5. **Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary).** Drilling & excavation work to be performed. Material will be hand-gathered and be removed from site. A self-contained 5<sup>th</sup> wheel may be used during intermittent operations.  
 \_\_\_\_\_
6. ☐ **New Road(s):** Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
7. ☐ **Improved Road(s):** Length \_\_\_\_\_ (ft) Width \_\_\_\_\_ (ft)
8. **Total project surface acreage to be disturbed:** 1.5 (acres) **PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).**
9. **\*any significant disturbance will be  $\leq 0.2$  acres**  
**Proposed startup date of project (month, year)** after plan approval
10. **Proposed completion date of project, if known (month, year)** upon claimants determination of depletion of resource

**IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)**

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*

7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

**V. VARIANCE REQUEST (Rule R647-3-110)**

**Any variance request must be approved in writing by the Division**

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number      Variance Request Justification

_____	_____
_____	_____
_____	_____

**VI. SURETY (Act 40-8-7(1)[c])**

**The surety must be provided to and approved by the Division prior to commencement of operations.**

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the nature, extent and duration of operations. These amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.

\$5,000 for the 1<sup>st</sup> acre; and

\$3,000 for each additional acre.

*\* see proposed reclamation bond estimate (attachment #3)*

Acceptable forms of surety may include: certificates of deposit, letters of credit, surety bonds & cash. Please identify which type of surety you will post so we can provide you with the appropriate forms.

☐ Certificate of Deposit      ☐ Letter of Credit      ☒ Surety Bond      ☐ Cash

☐ Other \_\_\_\_\_ (please identify)

(please be advised that the State Treasurer's office may require additional monies to administer cash sureties).

Check if applicable:

☐ Reclamation surety is already posted with another regulatory agency (copy must be included as proof):

\$ \_\_\_\_\_ (amount) \_\_\_\_\_ (Agency name)

**VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

**Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.**

**NOTICE:** The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Earth's Partners LLC (S. Heather Scholz)  
 Address: P.O. Box 1186  
 City, State, Zip: Beaver, UT 84713  
 Phone: (435) 438-5522 Fax: (435) 438-2555  
 E-mail Address: ep7@xmission.com

Name: David Penny  
 Address: P.O. Box 312  
 City, State, Zip: Beaver UT 84713  
 Phone: "same as above" Fax: " "  
 E-mail Address: " "

**VIII. SIGNATURE REQUIREMENT**

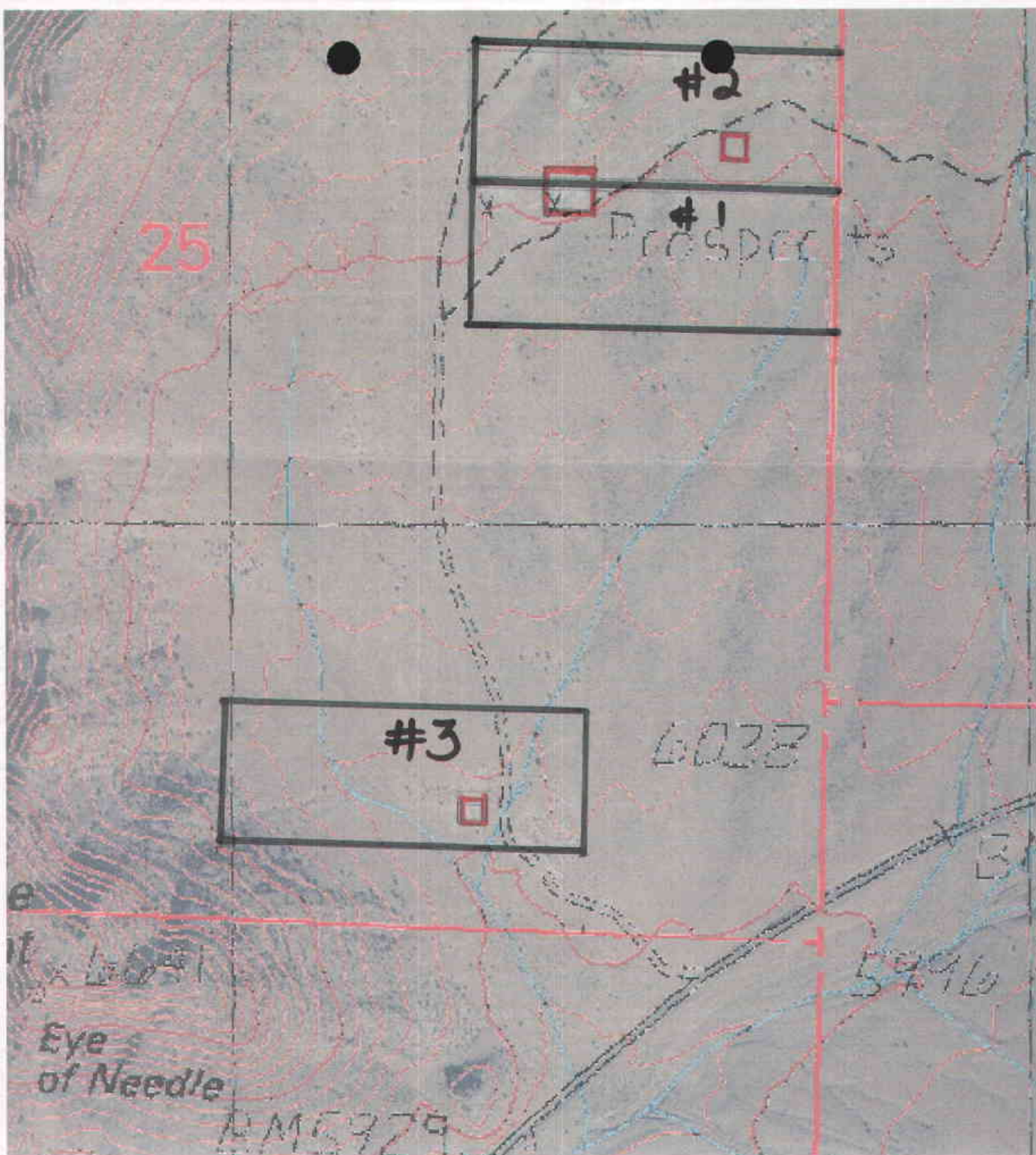
I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

**(Please check the box and place your initials on the line provided)**

- SHS ☒ I have enclosed the required permit fee.
- ☐ I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
- SHS ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

**(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)**

Signature of Permittee/ Operator/ Applicant: S. Heather Scholz  
 Name (typed or printed): S. Heather Scholz  
 Title/Position (if applicable): Registered Agent/Owner/Partner/Operator  
 Date: 10/12/2004



## Attachment 1

Project: Munchkin #1, 2, 3  
 Operator: Earth's Partners, LLC  
 Date: 10/04/2004

Beaver County, T. 26 S., R. 16 W., sec. 25  
 USGS Wah Wah Summit 7.5' topo quad  
 BLM Oct., 2003 Aerial Photography

### Legend

— = area to be disturbed  
 on previously disturbed  
 areas

— = claim  
 boundaries



200 0 200 400 600 800



Scale 1: 6,000  
 1" = 500'



## Attachment 2

Project: Munchkin  
BLM File: UTU-81473  
Date: 10/04/2004

Sec. 25, T. 26 S., R. 16 W., Beaver County, UT  
BLM Oct., 2003 Aerial Photography

\* Note: Earth's Partners LLC  
is not responsible for  
any previously disturbed  
area outside of the red boundaries

Scale 1:3,000

1" = 250'

N



Picture  
Attachments:



Top: Looking North @ Munchkin #1 @ part of existing disturbance



**Top: Dave Penney & Nook above (on top of the hill) the existing disturbance of Munchkin #1 looking South –Southeast towards Highway 21.**

EARTH'S PARTNERS  
P.O. BOX 1186  
BEAVER, UT 84713

97-246/1243

0147

Date 10/12/04

Pay to the  
Order of State of UT DOGM

\$ 150.<sup>00</sup>

One hundred and fifty dollars <sup>00</sup>/<sub>100</sub>

UTAH INDEPENDENT BANK  
BEAVER OFFICE  
BEAVER, UT 84713

WE LIVE WITH THE LAND

Monckton 123

Heather Schlotz



OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas & Mining

ROBERT L. MORGAN  
Executive Director

LOWELL P. BRAXTON  
Division Director

FACSIMILE COVER SHEET

DATE: Oct 15, 2004

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 8

TO: Jim Wykman  
State History

FAX NUMBER: 533-3503

FROM: Jaelle

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Earth's Partners - Munchkin 1-2-3  
5/001/066

REMARKS: This was also sent via e-mail.

Should you encounter any problems with this copy, or do not receive all the pages, please call

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

# TRANSACTION REPORT

P.01

OCT-15-2004 FRI 02:54 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
OCT-15	02:49 PM	5333503	4' 34"	8	SEND	OK	461	
TOTAL :						4M 34S	PAGES:	8



OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

## State of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

ROBERT L. MORGAN  
Executive Director

LOWELL P. BRAXTON  
Division Director

### FACSIMILE COVER SHEET

DATE: Oct 15, 2004

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 8

TO: Jim Wykman  
State History

FAX NUMBER: 533-3503

FROM: Jaelle

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Earth's Partners - Munkin 1-2-3